

# Exhibit A

Page 1

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW MEXICO  
SECURITIES AND EXCHANGE COMMISSION,  
Plaintiff,  
vs. NO: 12-257  
LARRY A. GOLDSTONE,  
CLARENCE G. SIMMONS, III,  
and JANE E. STARRETT,  
Defendants.

VIDEOTAPED DEPOSITION OF JANE ELISE STARRETT  
February 19, 2013  
9:12 a.m.  
119 East Marcy Street, Suite 110  
Santa Fe, New Mexico

PURSUANT TO THE FEDERAL RULES OF CIVIL  
PROCEDURE, this deposition was:

TAKEN BY: MR. GREGORY A. KASPER  
Attorney for the Plaintiff

REPORTED BY: Jennifer Bean, FAPR, RDR-RMR CCR #94

Job No.: 57810

Page 3

1	I N D E X	
2	EXAMINATION OF JANE ELISE STARRETT	
3	By Mr. Kasper	5
4	WITNESS SIGNATURE/CORRECTION PAGE	279
5	Exhibit 199 Wells Submission - Starrett	18
	Exhibit 200 E-mail Starrett to Nye, 3/7/08	37
6	Exhibit 201 E-mail Burks to ALCO, 2/26/08	74
	Exhibit 202 Master Repurchase Agreement,	85
7	9/14/07	
	Exhibit 203 Memo re RBC, 9/19/07	86
8	Exhibit 204 E-mail Goldstone to Starrett,	122
	2/21/08	
9	Exhibit 205 E-mail Goldstone to Simmons,	126
	2/21/08	
10	Exhibit 206 Updated 10-K draft, 2/25/08	135
	Exhibit 207 E-mail Starrett to Nye, 3/7/08	141
11	Exhibit 208 E-mail Burns to Feldman, 2/21/08	143
	Exhibit 209 E-mail Starrett to Coltharp re	168
12	going concern, 2/21/08	
	Exhibit 210 Memo Buniel to Goldstone, 3/3/08	177
13	Exhibit 211 E-mail Starrett to Hall, 3/4/08	179
	Exhibit 212 E-mail Coltharp to Starrett,	183
14	2/29/08	
	Exhibit 213 E-mail Starrett to Buniel, 3/2/08	185
15	Exhibit 214 E-mail Feldman to Goldstone, TMST	190
	2008-1 update, 2/29/08	
16	Exhibit 215 E-mail Timmons to Burns, Updated	196
	Recent Developments, 2/21/08	
17	Exhibit 216 E-mail Burns to Goldstone, TMST	199
	2008-1 update, 2/21/08	
18	Exhibit 217 E-mail Starrett to Goldstone, rep	210
	letter, 3/3/08	
19	Exhibit 218 Continuation of e-mail, rep letter,	212
20	Exhibit 219 E-mail Starrett to Pell, 3/3/08	214
	Exhibit 220 E-mail Starrett to Coltharp,	218
21	summary, 2/28/08	
	Exhibit 221 E-mail O'Leary Lopez to Goldstone,	221
22	2/28/08	
	Exhibit 222 E-mail Starrett to Fellers,	250
23	consent, 3/4/08	
	Exhibit 223 E-mail Starrett to Hall, margin	258
24	call detail, 3/4/08	
25		

Page 2

1	A P P E A R A N C E S	
2	For the SEC:	
3	MR. GREGORY A. KASPER	
	MR. STEPHEN C. McKENNA	
4	United States Securities and Exchange Commission	
	1801 California Street	
5	Denver, Colorado 80202	
6		
	For the Defendants Goldstone and Simmons:	
7		
	MR. RANDALL R. LEE	
8	WILMERHALE	
	350 South Grand Avenue	
9	Los Angeles, California 90071	
10		
	For the Defendant Starrett:	
11		
	MR. JERRY L. MARKS	
12	MR. ROBERT J. LIUBICIC	
	MILBANK TWEED HADLEY & McCLOY	
13	601 South Figueroa Street	
	Los Angeles, California 90017	
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

Page 4

1	Exhibit 224 Starrett questionnaire	264
	Exhibit 225 Starrett 2009 tax return	267
2	Exhibit 226 Starrett 2007 tax return	268
	Exhibit 227 Starrett 2008 tax return	270
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

Page 137

03:18:43 1 the 10-K.  
 03:18:45 2 Q. And why would Mr. Campbell have occasion to  
 03:18:47 3 need to see a draft of the 2007 Form 10-K?  
 03:18:52 4 A. They were busy preparing the offering  
 03:18:54 5 document for that capital raise.  
 03:18:58 6 Q. And some of the material contained in the  
 03:19:01 7 2007 Form 10-K draft would also appear in those  
 03:19:03 8 offering documents; correct?  
 03:19:05 9 A. Yes.  
 03:19:06 10 Q. Okay. And who is the human being that  
 03:19:10 11 answers the e-mail at Halle.Benett@ubs.com?  
 03:19:13 12 A. Halle Benett is an underwriter at UBS.  
 03:19:17 13 Q. And is it fair to say that he had a need to  
 03:19:20 14 see the same information for the same reason as Mr.  
 03:19:21 15 Campbell?  
 03:19:22 16 A. Yes, the FBR and UBS were the  
 03:19:24 17 co-underwriters for that offering.  
 03:19:27 18 Q. And how about -- was  
 03:19:31 19 Jacob.Farquharson@CliffordChance.com, the person who  
 03:19:39 20 is associated with e-mail address Jacob.Farquharson  
 03:19:43 21 @CliffordChance.com?  
 03:19:45 22 A. He was underwriter's counsel.  
 03:19:46 23 Q. Okay. And so he needed to see the  
 03:19:49 24 information for the same reason we previously  
 03:19:50 25 discussed?

Page 138

03:19:51 1 A. Correct.  
 03:19:52 2 Q. Okay. Now, if you look at the e-mail, the  
 03:19:59 3 last sentence prior to your closing is, "this  
 03:20:03 4 language has not yet been circulated to anyone else  
 03:20:06 5 within the company or to others outside the company."  
 03:20:09 6 Do you see that?  
 03:20:10 7 A. Yes.  
 03:20:11 8 Q. And does that refresh your recollection or  
 03:20:16 9 do you believe that this is the first time that the  
 03:20:19 10 recent developments section was communicated to  
 03:20:23 11 anyone outside of Thornburg?  
 03:20:28 12 A. Based on what I've said in the e-mail, yes.  
 03:20:30 13 Q. Okay. And the last sentence says, "If you  
 03:20:37 14 have comments on the recent developments language,  
 03:20:39 15 please provide them to Clay, Larry, or myself." Do  
 03:20:41 16 you see that?  
 03:20:42 17 A. Yes.  
 03:20:43 18 Q. Do you know why you would have -- why did  
 03:20:47 19 you ask for comments to be provided only to Mr.  
 03:20:50 20 Simmons, Mr. Goldstone, or you?  
 03:20:54 21 A. Well, none of those people, Mr. Campbell,  
 03:20:56 22 Mr. Bennet, or Mr. Farquharson had any relationship  
 03:20:59 23 with anyone else at Thornburg that would have been  
 03:21:02 24 involved in the drafting of the 10-K.  
 03:21:07 25 Q. Who else would they have possibly given

Page 139

03:21:08 1 comments to, Ms. Starrett?  
 03:21:10 2 MR. MARKS: Objection; vague.  
 03:21:15 3 A. I don't know. I think -- I mean, all my  
 03:21:17 4 sentence is saying, If you have something you want to  
 03:21:20 5 communicate, let us know.  
 03:21:22 6 Q. Okay.  
 03:21:42 7 MR. KASPER: I'll just say for the record  
 03:21:43 8 that the investigative Exhibit Number 71 appears to  
 03:21:48 9 be an e-mail in response to this, which I understand  
 03:21:54 10 counsel for Ms. Starrett will instruct her not to  
 03:21:58 11 answer any questions related to, despite the fact  
 03:22:01 12 that I have some communication from the trustee  
 03:22:07 13 regarding the privilege issues. But -- so,  
 03:22:11 14 Mr. Marks, can you confirm that that's the case?  
 03:22:14 15 MR. MARKS: Yes. Based on what I know  
 03:22:15 16 about that document, it's a communication between  
 03:22:19 17 senior executives at Thornburg and the company's  
 03:22:22 18 outside counsel, at the time Sheri Fox, to which I  
 03:22:24 19 believe a privilege attaches. And I haven't seen  
 03:22:30 20 anything that constitutes an effective waiver by what  
 03:22:34 21 I'm assuming is the holder of the privilege,  
 03:22:35 22 Mr. Sher. And I've heard the e-mail that he -- you  
 03:22:39 23 know, you've read us the e-mail he sent to you. And  
 03:22:40 24 I don't view that as an effective waiver, and in  
 03:22:43 25 fact, reserving his rights to later claim the

Page 140

03:22:46 1 privilege as to that document. And then I do  
 03:22:48 2 understand that the bankruptcy trustee may have taken  
 03:22:51 3 positions claiming the privilege as to communication  
 03:22:55 4 with Thornburg counsel in the past.  
 03:22:57 5 And so I would view this, if it were even  
 03:23:00 6 effective waiver as to this document, it could be  
 03:23:03 7 inappropriate to waive the privilege to selective  
 03:23:07 8 documents and still claim the privilege. And I'd  
 03:23:10 9 want Mr. Sher to understand that this would be a  
 03:23:13 10 potential subject matter waiver of all  
 03:23:15 11 communications.  
 03:23:16 12 So based on that, I feel an obligation not  
 03:23:19 13 to allow Ms. Starrett to testify as to privileged  
 03:23:24 14 communications.  
 03:23:25 15 MR. KASPER: Okay. And just so the record  
 03:23:26 16 is complete, I'll just state for the record, I have  
 03:23:28 17 in my hand an e-mail from Mr. Sher to myself, copying  
 03:23:32 18 Mr. McKenna, dated January 14, 2013, in which he  
 03:23:36 19 writes, "I'm not asserting privilege in the document  
 03:23:39 20 at this time. I do, however, reserve the right to  
 03:23:42 21 assert privilege if other facts come to my attention  
 03:23:44 22 would change my view."  
 03:23:44 23 That's the e-mail Mr. Marks was referring  
 03:23:47 24 to. And I guess we'll pursue whatever remedies we  
 03:23:52 25 have to pursue related to this and related to your

Page 141

03:23:54 1 instruction.  
 03:23:55 2 MR. MARKS: Okay. Thank you.  
 03:24:01 3 Q. Now, as of — just if we can go back for  
 03:24:04 4 one second to Exhibit 206. At this time, do you have  
 03:24:10 5 an understanding whether or not a draft of the recent  
 03:24:13 6 developments section had been communicated to KPMG?  
 03:24:20 7 A. No, I believe that was communicated at a —  
 03:24:25 8 the next day.  
 9 (Exhibit 207 marked.)  
 03:25:10 10 Q. Ms. Starrett, do you now have in front of  
 03:25:11 11 you what has been marked as Exhibit 207?  
 03:25:13 12 A. Yes.  
 03:25:14 13 Q. Do you recognize this document?  
 03:25:15 14 A. Yes, I do.  
 03:25:16 15 Q. What is it?  
 03:25:16 16 A. It's the e-mail I sent to Jennifer Hall  
 03:25:20 17 with the draft recent developments language.  
 03:25:23 18 Q. Okay. And is it your recollection that  
 03:25:25 19 this is the first time that information was provided  
 03:25:27 20 to KPMG?  
 03:25:28 21 A. I believe so.  
 03:25:29 22 Q. Okay. Did you have any communications with  
 03:25:38 23 Ms. Hall prior to the time of this e-mail alerting  
 03:25:41 24 her that this information was coming?  
 03:25:45 25 A. Yes, I believe I did.

Page 142

03:25:47 1 Q. Can you tell me what you recall about that  
 03:25:49 2 communication?  
 03:25:49 3 A. I don't recall any specifics other than  
 03:25:51 4 that we would be providing language.  
 03:25:55 5 Q. Do you recall what Ms. Hall's reaction was?  
 03:26:00 6 A. Nothing other than acceptance, that she  
 03:26:04 7 understood we would be providing language and that it  
 03:26:06 8 was an open area at that point.  
 03:26:14 9 Q. As you saw previously, this section was  
 03:26:18 10 initially drafted no later than February 21; is that  
 03:26:25 11 right?  
 03:26:26 12 A. That's correct.  
 03:26:29 13 Q. Do you have an understanding of why the  
 03:26:32 14 information — why a draft was not provided to KPMG  
 03:26:34 15 until February 26, some several days later?  
 03:26:41 16 A. Well, the language, as drafted, said that  
 03:26:44 17 we had met all the margin calls. And at the time  
 03:26:50 18 that we provided it on the 26th, we knew that to be  
 03:26:54 19 true. The intervening days we were still working our  
 03:26:59 20 plan to get the margin calls paid. And at that point  
 03:27:07 21 the language was still unresolved. So we waited  
 03:27:11 22 until, you know, we were clear about the situation  
 03:27:14 23 and then provided clear language.  
 03:27:19 24 Q. At any point between February 21, when the  
 03:27:22 25 recent development language was first being drafted,

Page 143

03:27:25 1 and February 26, when it was first provided to KPMG,  
 03:27:29 2 did you have any conversations with Mr. Goldstone and  
 03:27:31 3 Mr. Simmons about the timing of when that would be  
 03:27:33 4 provided to KPMG?  
 03:27:40 5 A. I don't recall any specific conversations  
 03:27:43 6 or details of any conversations.  
 03:27:49 7 Q. Do you know who made the decision to not  
 03:27:52 8 provide that information to KPMG until February 26?  
 03:27:56 9 MR. MARKS: Object to the form of the  
 03:27:57 10 question; assumes facts not in evidence.  
 03:28:04 11 A. I don't think there was a decision to not  
 03:28:06 12 provide it until a particular date.  
 03:28:40 13 MR. MARKS: How are you doing?  
 03:28:41 14 THE WITNESS: Fine. You guys kind of wore  
 03:28:44 15 me out with your argument.  
 03:28:59 16 Q. 208.  
 17 (Exhibit 208 marked.)  
 03:29:06 18 A. Okay.  
 03:29:46 19 Q. Ms. Starrett, you have in front of you  
 03:29:48 20 Exhibit 208; is that correct?  
 03:29:50 21 A. Yes.  
 03:29:50 22 Q. Do you recognize this document?  
 03:29:52 23 A. I don't recall it, but I can see that it's  
 03:29:55 24 an e-mail from Deborah Burns about the timing of the  
 03:29:58 25 2008-1 securitization.

Page 144

03:30:01 1 Q. Okay. Who is Ms. Burns?  
 03:30:03 2 A. Deborah Burns — I forget what her title  
 03:30:05 3 was, but she was a senior — oh, her title is right  
 03:30:10 4 here — senior vice president of structured finance.  
 03:30:14 5 Q. And what was her — you know, what did that  
 03:30:15 6 mean? What was her job at Thornburg? What did she  
 03:30:17 7 do?  
 03:30:18 8 A. Her job was to take the individual  
 03:30:28 9 mortgages securitized by — I mean, originated by  
 03:30:32 10 Thornburg Mortgage Home Loans, any purchased  
 03:30:37 11 individual mortgages from other mortgage originators,  
 03:30:41 12 and bundle them into a mortgage securitization and  
 03:30:45 13 take that to market.  
 03:30:49 14 Q. And what does 2008 — TMST 2008-1 refer to?  
 03:30:54 15 A. Thornburg Mortgage Securities Trust 2008-1.  
 03:30:59 16 So the 2008 stands for the year of the  
 03:31:02 17 securitization, and the 1 is, it's the first issuance  
 03:31:05 18 of mortgage securities by Thornburg Mortgage in 2008.  
 03:31:09 19 Q. Okay. And at the time of this e-mail,  
 03:31:11 20 February 21, what, if any, was your understanding  
 03:31:19 21 about when that securitization was to take place?  
 03:31:25 22 A. Well, that securitization — the timing of  
 03:31:27 23 that securitization is completely up to the company.  
 03:31:31 24 There is no — it's not like there is a filing  
 03:31:33 25 deadline or something like there would be for a 10-K.